

INCOMING TELEGRAM: Department of State

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POL 23-9 GREECE

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Action

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DE RUEMAT 1996A 1171700

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TO RUEHC/SECSTATE WASHDC
INFO RUEHOU/AMEMBASSY ANKARA
RUFHOL/AMEMBASSY BOMN
RUDTC/AMEMBASSY LONDON
ZEN/AMCONSUL THESSALNIKI
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REF: ATHENS 1996

1. WITH PREVIOUS QUALIFICATION THAT WE HAVE HAD ONLY LIMITED DIRECT INFORMATION FROM SOURCES OUTSIDE ATHENS AND THESSALNIKI, OUR IMPRESSION IS THAT ECONOMIC LIFE IN GREECE TODAY IS APPROXIMATELY NORMAL.

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BANKS REPORT THAT SAVINGS WITHDRAWALS, AFTER INITIAL FLURRY, ARE NOT NOW ABNORMAL, GIVEN USUAL SPECIAL NEED FOR MONEY TO MEET EASTER HOLIDAY EXPENSES FOR FOOD, VACATIONS AND SERVANTS' BOUNTIES. GREEKS OF ALL CLASSES APPEAR READY AND EAGER TO GEAR THEMSELVES INTO USUAL EASTER WEEKEND OF CELEBRATIONS BOTH PIOUS AND TRADITIONAL.

2. CENSORSHIP AND OTHER HARASSMENTS TO NORMAL COMMERCIAL TRAFFIC CONTINUE, BUT CURFEW HAS BEEN LIFTED AND WE ARE TOLD BY RESPONSIBLE OFFICIALS IN MINISTRY OF COORDINATION THAT GOVERNMENT IS WORKING HARD TO ELIMINATE ALL RESTRICTIONS NOT ESSENTIAL FROM "SECURITY" POINT OF VIEW. TELEX TRAFFIC SITUATION IS SPOTTY, WITH SOME FIRMS APPARENTLY FREE AND OTHERS STILL DOHERED BY DELAYS. EMBASSY OF OUTGOING TRAVELLERS SUBJECT TO SEARCH, BUT SEARCH SEEMS TO BE PRO FORMA IN MOST CASES.

3. TOURIST CANCELLATIONS FOR IMMEDIATE FUTURE ACCELERATED AS MIGHT BE EXPECTED, BUT RESERVATIONS FOR SUMMER AND LONG TERM DO NOT APPEAR TO HAVE BEEN AFFECTED.

A. GGG HAS ISSUED SPECIFIC DECLARATIONS AS FOLLOWS:

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-2- ATHENS 4996, APRIL 27

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A) MINISTER OF COORDINATION SAID COUP WAS BEGINNING OF "ECONOMIC RENAISSANCE", THAT GREECE WAS COMMITTED TO FREE ENTERPRISE AND LEGITIMATE PROFITS, THAT STATE FINANCIAL ACTIVITIES WOULD BE RIGOROUSLY CONTROLLED TO THAT END, THAT PUBLIC EXPENDITURES WOULD BE ONLY FOR PRODUCTIVE PURPOSES, THAT GREECE WELCOMED THE EEC ASSOCIATION, AND WOULD COOPERATE IN GENERAL WITH LEGITIMATE COMMERCIAL INTERESTS, ETC.

B) IN WHAT MIGHT BE CONSIDERED FIRST IMPORTANT POLITICAL MOVE ON ECONOMIC FRONT, MINISTER OF AGRICULTURE ANNOUNCED THAT REGIME HAD ENDORSED THE PLAN OF THE KANELLOPOULOS GOVERNMENT (ADOPTED APRIL 20) TO RAISE PENSION AND AUXILIARY BENEFITS TO FARMERS BY ABOUT SEVENTY PER CENT ACROSS THE BOARD. WE HAVE NOT YET FULLY ASSESSED BUDGETARY IMPLICATIONS, BUT SUSPECT THEY MAY AMOUNT TO AS MUCH AS \$19 MILLION.

5. OUR CONTACTS WITH CIVIL SERVANTS IN ECONOMIC MINISTRIES AND BANK OF GREECE INDICATE THAT REGIME IS ACCEPTING PROFESSIONAL ADVICE AND THAT "NEW REGIM" IS PUSHING FUNCTIONARIES HARD TO GET THINGS DONE. WE SEE POSSIBLE PROBLEM IN MINISTRY OF COORDINATION.

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6. IN GENERAL, AN QUIETLY RELAXED ECONOMIC ATMOSPHERE PREVAILS IN ATHENS AND, WE BELIEVE, THROUGHOUT GREECE. IT SHOULD BE NOTED, HOWEVER, THAT POLITICAL ARRESTS WITHIN LAST TWO DAYS HAVE INCLUDED STRATIS ANDREADIS, CHAIRMAN OF THE COMMERCIAL BANK OF GREECE AND REPORTEDLY, PERFYR GEINIS, CHAIRMAN OF THE HELLENIC INDUSTRIAL DEVELOPMENT BANK (ETVA).

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